

# **Fiscal Services Division**

## **Legislative Services Agency**

### **Fiscal Note**

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SF 141 - Above Ground Storage Tank Program (LSB 1051 XS)  
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Fiscal Note Version - New

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#### **Description**

Senate File 141 extends a deadline enacted by the 2004 General Assembly in HF 2401 (Aboveground Storage Tank Upgrade and Removal Reimbursement Act of 2004). That Act allowed owners of aboveground petroleum storage tanks to receive partial reimbursement for expenses related to the upgrade or removal of tanks. The reimbursement was available for work completed from January 1, 2004, through February 18, 2005. The source of funding was the State Underground Storage Tank (UST) Fund.

Senate File 141 extends the deadline to December 31, 2005.

#### **Background**

The fiscal note for HF 2401 assumed a maximum of 940 aboveground tanks would qualify for reimbursement and the average reimbursement would be \$20,000 per tank. Those numbers provided a maximum exposure to the UST Fund of \$18.8 million. Through the end of January, the Board had reimbursed \$2.2 million in upgrade and removal expenditures, with total reimbursable expenditures under the current deadline expected to be \$11.0 million.

#### **Fiscal Impact**

The fiscal impact on the UST Fund of extending the deadline for expense reimbursement is projected to be \$4.0 million. The additional reimbursements related to the extended deadline will occur during FY 2005 and FY 2006.

The following table provides a summary of the projected impact on the UST Fund of HF 2401 and SF 141.

|                        | HF 2401<br>2004 Session | SF 141<br>2005 Session | Total          |
|------------------------|-------------------------|------------------------|----------------|
| Expense Reimbursements | \$11.0 million          | \$4.0 million          | \$16.0 million |

#### **Source**

Underground Storage Tank Administrator

/s/ Holly M. Lyons

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March 14, 2005

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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